

# OHT Guide to the NPPR Charge



The Local Government (Charges) Act 2009 introduced a local authority charge of €200 on residential properties from 2009 (excluding principal residences). This charge has been abolished for the tax year 2014 and subsequent years. The NPPR applied in the tax years 2009-2013 (inclusive).

## Who paid the NPPR Charge?

The charge was payable by the owner of the property. "Owner" means a person who was entitled to receive the rent of the property, whether in his own right or as trustee or agent for any other person. If property was held on a lease of 20 years or longer the "owner" was the tenant. An individual became the owner of residential property when he or she became entitled to possession of it. Where there were co-owners then each co-owner was jointly and severally liable to pay the charge and payment by one discharged the others.

A non-resident owner was liable to the charge, and the online forms could be filed without an owner's PPS number if the non-resident checkbox was ticked.

Where the property was/is being sold or transferred by way of gift, any individual who receives the sales proceeds or gives advice in relation to the transfer of the property is secondarily liable for any outstanding charges and late payment fees on the property. This secondary liability came into effect on 01 January 2012.

## Properties subject to NPPR Charge & Exemptions

All residential properties in the State were subject to the charge, including apartments, bedsits, granny-flats, holiday homes, vacant properties and residential properties held by companies. The charge did not apply to foreign property, vehicles or vessels.

The properties which were not subject to the NPPR charge included:-

- the principal private residence (or "PPR") of the taxpayer (or a spouse if there is a decree of separation or divorce)
- properties occupied by a person who was not paying rent, and who was related to the taxpayer or his spouse/partner, or was a ward of court or child in the owner's care. The property must

have been within 2 kilometres of the taxpayer's home, or a self-contained residence on the property (a "granny flat") for this exemption to have applied.

- a mobile home, caravan or vehicle;
- a property that was part of the trading stock of a business and had not been used as a dwelling or been the source of any income since construction;
- a residential property owned by a discretionary trust, or a company that was an approved charity;
- a residential property vested in a Minister, a housing authority or the HSE;
- a residential premises owned by a person who lived elsewhere, in a property he did not own because of long term physical or mental incapacity (e.g. an owner in a nursing home); or
- a building liable to commercial rates.

A room let under the Revenue Rent-a-Room Scheme was not regarded as a separate residence. The PPR exemption may have been extended where a person was moving house and temporarily owned two properties. A refund was available in relation to the second residential property, provided that it was acquired within one year of the relevant liability date and the first property was sold within six months of the liability date.

## NPPR Liability Date

For 2010 and subsequent years, the liability date was 31 March in the relevant tax year and payment was due within two months (by 31 May). Prior to the 2011 Act there was a one month's period of grace so there was no penalty if the payment is made by 30 June, however this provision was removed with effect from 01 January 2012. In 2009 (which was the first year for the charge) the liability date was 31 July 2009 and payment was due on 30 September 2009. There is no provision for payment of the NPPR Charge by instalments.

## Multiple Units

Where a property was divided into a number of

different units, the charge would have applied separately to each unit, so if a dwelling is divided into four bedsits, four separate NPPR charges were payable (€200 x 4 = €800). A house let as a single unit to a number of separate tenants was only subject to one NPPR charge.

## Estates & the NPPR

The 2011 Act introduced measures for property held by estates. If the owner of the property is deceased and there are pre death NPPR charges and/or late payment fees outstanding, the personal representative of the estate will not be liable until the first Grant of Representation issues. No further late fees will arise between the period from the date of death to the date of issue of the Grant. The personal representative must pay the liability within 3 months of the Grant or else additional late fees will accrue to the Estate from the date of Grant.

The Act provides that the personal representative does not have a liability to pay the NPPR charge in a relevant year if the Grant had not issued by the liability date (i.e. 31 March).

## NPPR Penalties

If payment was not made by the due date there is a late payment penalty of €20 for each month or part of a month that the charge remains unpaid. An NPPR owner is also required to make a declaration to the relevant local authority in respect of the NPPR charge in the form prescribed by the Minister, and failure to file this is an offence carrying a fine not exceeding €2,000 on summary conviction.

The Department of the Environment, Heritage and Local Government has indicated to the Irish Taxation Institute that a declaration by one co-owner will satisfy the declaration requirement for all the co-owners.

A table detailing the payment which would be payable if the NPPR charge was not paid has been published online at [www.nppr.ie](http://www.nppr.ie) (in the FAWs Late Payment Fees area) and this has been reproduced below. This table details the payment which would be due in December 2013 if the

NPPR charge has not been paid. For example, if you were liable for the NPPR charge in 2009 to 2013 and this has not been paid, a total amount of €3,920 (including late payment fees) would have been due in December 2013.

## Legal Charge on Property for Unpaid NPPR

Any unpaid household charge is charged on the property to which it relates, and the charge remains live for 12 years from the due date, after which a bona fide purchaser can purchase free of the charge. The local authority is required to give a receipt for the payment under the Act and, on application in writing, to give a certificate to the owner of the amount of the charge paid by the owner.

## Paying the NPPR Charge

An owner can register and pay the charge online at [www.nppr.ie](http://www.nppr.ie). Local Authorities (City or County Councils) will also accept completed NPPR registration forms, and payment types accepted with a registration form are credit card, debit card, bank draft, postal order and cheque.

If any outstanding NPPR is paid by 31 August 2014, no additional late payment fees will be charged for the period 02 March 2014 to 31 August 2014 where no payments have been made to date.

This is an opportunity for taxpayers to agree payment arrangements with Local Authorities.

If outstanding NPPR is not paid by 31 August 2014, or payment arrangements are not agreed with the Local Authority by that date, then an additional late payment fee of €120 will apply per liability date and the entire NPPR liability will be increased by 50%.

For example, if you were liable to the NPPR charge in 2009 to 2013 and no payment has been made, a total amount of €7,230 (including late payment fees) would be due on 01 September 2014 if the tax remains unpaid.

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Year	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
2009	€960	€980	€1,000	€1,020	€1,040	€1,060	€1,080	€1,100	€1,120	€1,140	€1,160	€1,180	€1,200
2010	€800	€820	€840	€860	€880	€900	€920	€940	€960	€980	€1,000	€1,020	€1,040
2011	€560	€580	€600	€620	€640	€660	€680	€700	€720	€740	€760	€780	€800
2012	€320	€340	€360	€380	€400	€420	€440	€460	€480	€500	€520	€540	€560
2013	-	-	-	-	€200	€200	€200	€220	€240	€260	€280	€300	€320
<b>Total</b>	<b>€2,640</b>	<b>€2,720</b>	<b>€2,800</b>	<b>€2,880</b>	<b>€3,160</b>	<b>€3,240</b>	<b>€3,320</b>	<b>€3,420</b>	<b>€3,520</b>	<b>€3,620</b>	<b>€3,720</b>	<b>€3,820</b>	<b>€3,920</b>

**Caveat:** These notes are intended as a general guide only. OHT has endeavoured to provide an accurate commentary but the notes cannot cover all circumstances. OHT strongly recommends that formal tax advice be obtained before any steps are taken that may have a tax effect.